

Kuber Chauhan
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Issue Details

Issue Details	
Issue Size (Value in ₹ million, Upper Band)	2148
Fresh Issue (No. of Shares in Lakhs)	64.9
Offer for Sale (No. of Shares in Lakhs)	58.2
Bid/Issue opens on	21st-Aug-24
Bid/Issue closes on	23rd-Aug-24
Face Value	Rs. 10
Price Band	195-206
Minimum Lot	72

Objects of the Issue

- **Fresh issue: ₹ 1,200 million**
Acquisition of office premise at Navi Mumbai.
Funding the Capital Expenditure requirements.
General corporate purposes.
- **Offer for sale: ₹ 948 million**

Book Running Lead Managers	
Elara Capital Limited	
Registrar to the Offer	
Link Intime Limited	

Capital Structure (₹ million)	Aggregate Value
Authorized share capital	500
Subscribed paid up capital (Pre-Offer)	358
Paid up capital (post-Offer)	416

Share Holding Pattern %	Pre-Issue	Post Issue
Promoters & Promoter group	97.9	73.2
Public - Others	2.1	26.8
Total	100	100

Financials

Particulars (₹ In million)	FY24	FY23	FY22
Revenue from operations	6,029	5,351	4,674
Operating expenses	5,463	4,865	4,216
EBITDA	566	486	458
Other Income	40	69	17
Depreciation	36	18	19
EBIT	570	538	456
Interest	21	18	10
PBT	549	520	446
Tax	135	137	111
PAT	414	383	335
Share of JV	-	-	-
Consolidated PAT	414	383	335
Ratios	FY24	FY23	FY22
EBITDAM	9.39%	9.09%	9.80%
PATM	6.87%	7.16%	7.17%
Sales growth	12.67%	14.47%	NM

Company Description

Incorporated on July 4, 1997, Orient Technologies Ltd ("OTL") is offering a wide ranging and diversified bouquet of product and service offerings and classify their business into 3 verticals as:

IT Infrastructure: Products and solutions include Data Centre Solutions and End-User Computing. Data Centre Solutions offers servers, storage, active and passive networking components (such as switches, routers, access points etc.), collaboration solutions (such as solutions for CCTV (i.e., closed circuit television) and transmission of feed from CCTV, and virtual conferences / meetings), and security solutions. End user computing involves desktop management, end-user support, and mobile device management.

IT Enabled Services (IteS): Services include Managed Services, Multi-Vendor Support Services, IT Facility Management Services, Network Operations Centre Services, Security Services, and Renewals.

Cloud and Data Management Services: Services include migration of workload from data centres to cloud.

OTL has recently ventured into 'Device as a service (DaaS)'. Under DaaS they provide desktops, laptops, tablets, printers, scanners, smartphones, and servers, bundled with software, along with managed services on a 'pay-per-use' model i.e. on a subscription basis.

OTL's business operations involve technologically advanced solutions for which they collaborate with a wide range of technology partners including Dell International Services India Pvt Ltd (Dell) and Fortinet, Inc. (Fortinet) and Nutanix Netherlands B.V. (Nutanix).

OTL's range of customised offerings and their ability to specifically tailor solutions to the specific needs of customers have enabled them to garner prominent customers with long term association across industries and they count leading public and private sector entities across diverse customer industries such as banking, financial services, and insurance (BFSI), IT, IteS, healthcare/ pharmaceutical (Customer Industries).

The company has received ISO 27001:2013, ISO 20000-1:2018 (ITSM) ISO 9001:2015 (QMS) and ISO/IEC 27001:2013 (ISMS) certifications. They have also been awarded CMMI Maturity Level 3 Certificate.

Valuation & Outlook

Orient Technologies is engaged in IT solutions and related services providing across the business verticals.

OTL's business operations involves technologically advanced solutions for which the company collaborates with a wide range of technology partners including Dell International Services India Private Limited (Dell) and Fortinet, Inc. (Fortinet) and Nutanix Netherlands B.V. (Nutanix).

At the upper price band company is valuing at P/E of 20.7x with a market cap of ₹ 8,580 million post issue of equity shares and return on net worth of 27.2%.

On the valuation front, we believe that the company is fairly priced. Thus, we recommend a "SUBSCRIBE" rating to the IPO.

Company's Operations

Orient Technologies Ltd ("OTL") is an information technology (IT) solutions provider headquartered in Mumbai, incorporated in the year 1997. The company over the years has built deep expertise to develop products and solutions for specialised disciplines across the business verticals which are:

IT Infrastructure: Products and solutions include Data Centre Solutions and End-User Computing,

IT Enabled Services (IteS): Services include Managed Services, Multi-Vendor Support Services, IT Facility Management Services, Network Operations Centre Services, Security Services, and Renewals,

Cloud and Data Management Services: Services include migration of workload from data centres to cloud.

OTL's business operations involve technologically advanced solutions for which they collaborate with a wide range of technology partners including Dell International Services India Pvt Ltd (Dell) and Fortinet, Inc. (Fortinet) and Nutanix Netherlands B.V. (Nutanix). A key facet of their product and service offerings is their ability to tailor and customise their offerings to the specific needs of the customers. The collaboration with their technology partners heightens their ability to design and innovate products and provide solutions tailored to specific customer requirements.

OTL's range of customised offerings and their ability to specifically tailor solutions to the specific needs of customers have enabled them to garner prominent customers with long term association across industries and they count leading public and private sector entities across diverse customer industries such as banking, financial services, and insurance (BFSI), IT, IteS, healthcare/ pharmaceutical (Customer Industries).

The company also continually engage with their customers to understand their requirements better to be able to provide more holistic services and to identify new areas where they can engage with them.

Company's expertise, honed over the years, in conjunction with the strength of their collaborative efforts with the technology partners enables them to provide customised IT solutions to their customers. They also track the developments in the business segments in which they operate in to stay abreast of emerging trends and capitalise on new business opportunities. All these factors enable them to strengthen, and forge long-term and more successful, relationships with their existing customers.

Company product and services

IT infrastructure

Company's products and services offering in IT Infrastructure comprises:

- Data Centre Solutions (DCS) offer servers, storage, active and passive networking components (such as switches, routers, access points etc.), collaboration solutions (such as solutions for CCTV (i.e., closed circuit television) and transmission of feed from CCTV, and virtual conferences / meetings), and security solutions. OTL offers emergent technologies such as Hyper Converged Infrastructure (HCI) i.e., a technological product which integrates servers, storage, and network components, backup and disaster recovery software, and virtualisation i.e., creation of software based virtual machines for server, storage, network, desktop and applications; and
- End-User Computing (EUC) involves desktop management, end-user support, and mobile device management. The IT Infrastructure segment is the largest revenue generating segment, OTL has broad-based their offerings significantly even within this segment, and continually, add new products. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, OTL added various new products such as crowdstrike, forcepoint, netskope under their cyber-security solutions.

IT Enabled Services (ITeS)

The IteS comprises:

- Managed Services which involve monitoring, maintenance and support of IT systems and backup and disaster recovery services which involves offering software licenses and administration, management and support for backup and recovery of data,
- Multi-Vendor Support Services which involve hardware and software support through AMC and includes troubleshooting, repair, and maintenance services for devices and systems from multiple vendors,
- IT Facility Management Services which involve on-site and remote support for system administration, storage administration, cloud administration and network administration,
- Network Operations Centre Services which involve remote network management and Security Services which involve providing security solutions,
- Renewals which involve annual subscription of software licenses.

OTL has recently ventured into '*Device as a service (DaaS)*'. Under DaaS they provide desktops, laptops, tablets, printers, scanners, smartphones, and servers, bundled with software, along with managed services on a 'pay-per-use' model i.e. on a subscription basis.

Cloud and Data Management Services

Company's products and services offering in cloud and data management services comprise data analytics, business analytics (i.e., using data and statistical methods to analyze business operations by use of advanced analytics techniques such as predictive modelling, data mining, and machine learning to extract insights from large and complex data sets), robotic process automation (RPA) i.e., use of technology to automate back office functions such as extracting data, filling forms, file transfers etc., cost management, Internet of Things (IoT), and delivery of applications and services (DevOps), and containerisation and microservices (i.e., use of containers, which are a way to package applications, libraries, and configurations and run them as a self-contained and isolated environment agnostic of the software installed on the host system, to build deploy and manage applications) on a subscription basis.

OTL's services offerings also include:

Infrastructure as a Service (IaaS) involves virtualized computing resources over the internet allowing users to rent virtual machines, storage, and networking components.

- Platform as a Service (PaaS) involves offering a platform to customers to develop, run, and manage applications.
- Software as a Service (SaaS) involves delivering software applications over the internet on a subscription basis, which can be accessed through a web browser without requiring installation of the software applications on a device.
- Function as a Service (FaaS) / Serverless Computing involves developers deploying functions or code without managing the underlying infrastructure.
- Database as a Service (DbaaS) involves providing managed database solutions by eliminating the need for customers to install, configure and maintain databases.
- Storage as a Service involves offering scalable storage solution accessible over the internet.
- Content delivery network involves distributing content (e.g., web pages, videos, images) to users.
- Network as a Service (NaaS) involves providing networking capabilities like virtual private networks, bandwidth on demand, and other networking features.
- Security as a Service (SECaaS) involves delivering security solutions such as firewall, antivirus, intrusion detection/prevention systems, and encryption services over the cloud.
- Backup as a Service (BaaS) involves offering automated backup and recovery services for data protection and disaster recovery.
- Monitoring as a Service (MaaS) involves providing monitoring solutions for infrastructure and applications.

The company also provides cyber-security solutions such as firewall, antivirus, intrusion detection/prevention systems, and encryption services on cloud.

The company has received ISO 27001:2013, ISO 20000-1:2018 (Information Technology Services Management), ISO 9001:2015 (Quality Management System) and ISO/IEC 27001:2013 (Information Security Management System) certifications. They have also been awarded CMMI Maturity Level 3 Certificate.

Revenue from Operations

Particulars	FY24	FY23	FY22
IT Infrastructure Products and Services	52.19%	65.28%	70.48%
ITeS	22.21%	19.67%	17.08%
Cloud and Data Management Services	25.60%	15.05%	12.44%
Revenue from operations	100%	100%	100%

Company's business operations are, currently, concentrated in India and the revenues are predominantly generated from India, including from various multinational companies and transnational corporations. They operate out of their headquarters and corporate office situated in Mumbai, Maharashtra, with sales and services offices located across various cities in India such as Navi Mumbai and Pune, Ahmedabad, New Delhi, Bengaluru and Chennai. They also have a branch located in Singapore.

The company is led by experienced and technically qualified Promoters who have co-founded, conceptualised, incubated and nurtured their business and continue to be actively engaged in their business operations. Each of them brings a different set of operational strengths to company. In addition to the promoters who are also their executive directors, their strong and robust Board of Directors comprise individuals who bring their respective experience and expertise to their operations. The Board of Directors are also supported by a highly skilled management team comprising the key managerial personnel and senior managerial personnel.

Strengths

➤ Wide ranging and diversified IT solutions and offerings

OTL offers a wide ranging and diversified bouquet of product and service offerings and classify their business into 3 verticals viz., IT Infrastructure, ITeS and Cloud and Data Management Services. Their products and services offering in IT Infrastructure comprises Data Centre Solutions and End-User Computing. The ITeS include Managed Services, Multi-Vendor Support Services, IT Facility Management Services, Network Operations Centre Services, Security Services, and Renewals. The Cloud and Data Management Services include migration of workload from data centres to cloud. Their products and services in this vertical comprise data analytics, business analytics, RPA, IOT, DevOps, and containerisation and microservices. OTL has developed cloud expertise, and their scalability, domain knowledge, and their partnership with technology partners are key facets to their competitive edge.

➤ Strong track record of financial performance

Company's financial performance commensurate with the broadening of their product range and increase in their customer base. The revenue from operations grew at a CAGR of 13.57% between Fiscal 2022 and Fiscal 2024.

➤ Strong Promoters and Board of Directors supported by an experienced senior management team

OTL is govern by experienced and technically qualified Promoters who have co-founded, conceptualised, incubated and nurtured company business and continue to be actively engaged in their business operations. They are also supported by a highly skilled management team

comprising the key managerial personnel and senior managerial personnel. As at June 30, 2024, OTL has an aggregate of 1,482 permanent employees. The knowledge and experience of their Promoters and directors, along with skilled management team, is their strength.

➤ **Marquee customer base across diverse Customer Industries**

The company has abilities to tailor and customise their product and services to suit the requirements of their customers. Over the years they have built deep expertise to develop products and solutions for specialised disciplines including HCI, End-User Computing and Robotic Process Automation. Their business operations involve technologically advanced solutions for which they collaborate with a wide range of technology partners including Dell, Fortinet and Nutanix. Their collaboration with their technology partners heightens their ability to design and innovate products and provide services tailored to specific customer requirements. As of June 30, 2024, they had a diverse base of customers across public and private sector entities across diverse Customer Industries such as BFSI, IT, ITeS, healthcare / pharmaceutical, as their customers.

Key Strategies:

➤ **Investing in the growth of the employees**

To maintain and develop relevant skills and competencies, OTL encourages their employees to participate in training sessions organised by the company. They have steadily increased the number of permanent employees from 984 permanent employees as at April 1, 2022 to 1,482 permanent employees as at June 30, 2024. They intend to focus on continually investing in the growth of their employees.

➤ **Expanding the geographic footprint**

OTL's business operations are, currently, concentrated in India and their revenues are predominantly generated from India. While they cater to a large number of multinational companies and transnational corporations, and have a branch in Singapore, they are yet to expand their international operations significantly. They have already set up a branch in Singapore which is primarily engaged in the business of trading of computer equipment such as servers, storage and network devices. Further, in Fiscal 2024, they have also generated revenues aggregating ₹ 2.22 crore from countries including Denmark, United Arab Emirates and USA (other than Singapore). They propose to expand their geographic footprint and cater to a broader customer base globally.

➤ **Expanding and augmenting the product and services portfolio**

Apart from their IT Infrastructure, ITeS and Cloud and Data Management Services, they have recently ventured into 'Device as a service (DaaS)'. Under DaaS they provide desktops, laptops, tablets, printers, scanners, smartphones, and servers, bundled with software, along with managed services on a 'pay-per-use' model i.e. on a subscription basis. The growth of the DaaS industry is propelled by several key drivers such as Hybrid workforce, Demand for subscription model, ESG and Sustainability goals, Cyber security requirements, and Improved bandwidth for internal IT team. The company proposes to utilise ₹ 69.57 crore from the Net Proceeds for the DaaS segment through the purchase of equipment such as SD WAN and switches, notebooks, servers, storage devices and printers for operating lease.

Industry Snapshot

Long term trends in the Indian IT service Industry

Increasing pace of digitisation for businesses

Businesses continue to invest in digitisation by making more cost conscious decisions and value driven investments to support long term sustainability. Thinking about long term sustainability, businesses aim to mitigate risks and prevent themselves from financial and regulatory shocks. India is the preferred global IT Services Outsourcing location for global clients. The factors influencing India's position includes its digitally skilled workforce, country's supportive policies, robust infrastructure, and the cost benefit that the country provides. Some of the sectors which are at the forefront of digitization include as follows:

Sector	Business Process undergoing digitisation
Banking, Financial Services and Insurance	Credit underwriting, loan processing, payment systems, customer service, customer onboarding, identity verification.
Transportation	Online Bookings, customer support, price optimization, customer experience
Media and Entertainment	Content production, analytics based marketing, predicting customer preference- customer experience
Government	Self-service portals, E-governance, digital payment system, digital public platforms

Source: CRISIL MI&A

Digitisation speed in India is growing at a very fast rate led by higher mobile penetration, improved data connectivity and faster and cheaper data. Wireless data consumption in India has grown ~12 times in the past five fiscals at a CAGR of ~65%. The proportion of data subscribers is hence expected to rise to ~78% in fiscal 2025 from ~62% at fiscal 2020. India's 4G data rates are also among the lowest in the world. Private players are finding new opportunities driven by the digitisation drive. For example, the quantum of retail digital payments has catapulted from ₹ 140 trillion in fiscal 2017 to ₹ 791 trillion in fiscal 2024. Within UPI, the quantum of person-to-merchant payments has zoomed from ₹ 6.2 trillion in fiscal

2021 to ₹ 50.6 trillion in fiscal 2024. This increase has created a digital footprint of customers, which can be potentially used for credit analysis of customers, for which the IT players can build the infrastructure.

Long term growth supported by digital services

Increasing commoditization of traditional services will keep the billing rates to remain under pressure in the medium term. The volume is expected to be the key revenue driver. High end digital services are expected to support revenue and billing rates in the long term. The digital demand is expected to see a further uptick in near term. As per the National Association of Software and Services Companies (NASSCOM), 80% of all incremental IT spends is expected to be digital in the near term.

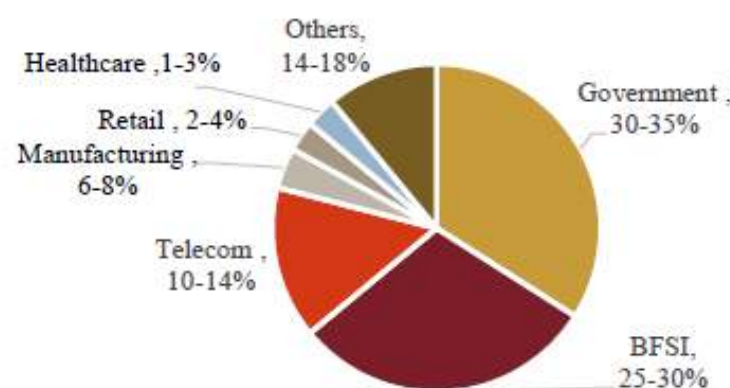
Digital India a work in progress with opportunities in IT services

In fiscal 2024, CRISIL MI&A estimates the Domestic IT services to have grown at 8% on-year in rupee terms to reach Rs. 1,571 trillion aided by core digital transformation along with need for enterprises shifting to digital to differentiate themselves using technology will be the leading growth drivers. Further, the largest digital census should also aid growth with government driving the spends. Over the medium term, the domestic IT services industry is expected to clock 7-9% CAGR in rupee terms over the next five years to ~Rs 2000 billion in fiscal 2028 lead by rise in digital share. While the establishment of digital infrastructure includes schemes like BharatNet and the provision of free Wi-Fi at railway stations, the provision of digital services represents a significant growth area for domestic service providers. Many government service delivery programs, such as Meghraj (the government cloud platform), necessitate involvement from the private sector. This project encompasses nine major components, and among them, four pertain to IT services, specifically e-Kranti, e-governance, Information for All, and IT for Jobs.

Digital Transformation benefitting performance of the sector

In India, digital transformation is being led by three sectors namely – government, banking, financial services and telecom. Banks are adopting IT solutions for regulatory compliance as well as customer convenience. Telecom industry digitising due to huge volume of voice and data, and networks. The government has pledged substantial investments in IT infrastructure as part of the Digital India and Smart Cities Mission initiatives. However, here, speed of implementation will be a key monitorable. Healthcare expenditure has also seen an uptick due to need in improving operational efficiencies through technology.

Government and BFSI to remain the key segments, healthcare to gain share (CY2023)



Source: NASSCOM, CRISIL MI&A

Digital Payments to increase IT players opportunities in the BFSI space with respect to database management, analytics, security and user experience. IT spending in retail is expected to be around logistics, cash management, human resources and inventory management. Omni-channel retailing, wherein multiple channels of shopping are provided in such a way that the consumer has an integrated smooth shopping experience, has been identified as a key focus area by organised retailers.

The adoption of IT among small and medium enterprises (SMEs) has been limited due to the high associated costs. Nevertheless, the emergence of innovative technologies like cloud services, which require minimal initial capital investment, has substantially reduced the financial barrier for SMEs to embrace it. CRISIL MI&A anticipates that the cost advantages will be a major driver for the growth of cloud services, and numerous small businesses will actively consider its implementation. We expect that cloud services, utilizing a pay-per-use model, will significantly boost adoption among SMEs.

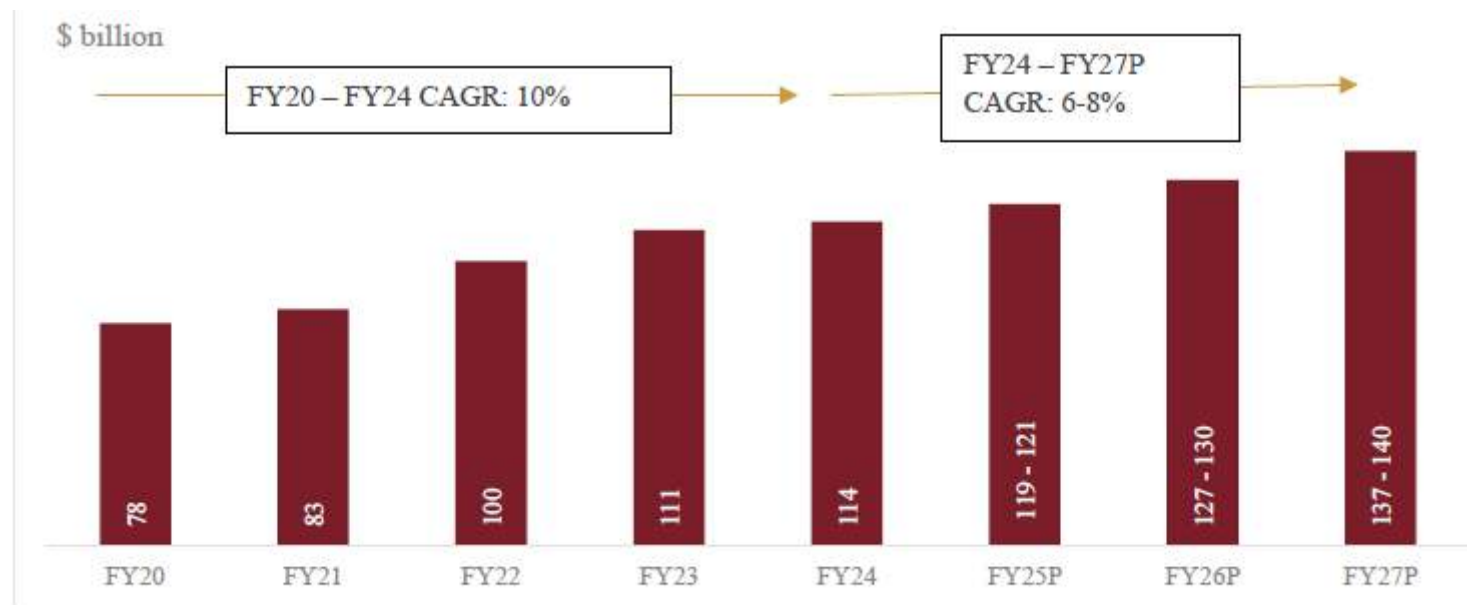
Export growth to remain modest in Fiscal 2025 amid high interest rates

In fiscal 2024, with high inflation and macro slowdown in developed markets, there was an impact on tech budgets across sectors. IT budgets are likely to be focused on areas of automation and cost efficiencies in the near term. The industry is estimated to have grown by 2-3% year-on-year, reaching approximately \$114 billion in fiscal 2024. In fiscal 2025, the industry is expected to grow by 4-6% year-on-year.

Along with companies focusing on front-to-back digitization, a new set of services in terms of differentiation is also expected to drive growth. The large-scale shift by customers and consumers to digital channels over the previous fiscal years is expected to make it important for enterprises to differentiate themselves in these channels using technology. This further entails more use of data analytics, AI, and ML for mass personalization.

Over fiscals 2024-2028, CRISIL MI&A expects IT services' export revenue to log a compounded annual growth rate (CAGR) of 6-8%, compared with ~10% in the previous four fiscal years from 2020 to 2024. The growth will be led by digital export services in cloud services, RPA, and AI, along with offer differentiation, which is expected to provide an opportunity for Indian IT players to collaborate with product-based companies. Additionally, global in-house centers (GIC) have found increased traction in India, with players setting up digital innovation hubs to experiment with newer technologies.

Trend and outlook of export IT services industry



Note: E: Estimated, P: Projected; Source: Company Reports, NASSCOM, CRISIL MI&A

Data centre industry overview

Modern data centers have evolved from their traditional physical infrastructure approach. Infrastructure has shifted from traditional on-premises physical servers to virtual networks that support applications and workloads across pools of physical infrastructure and into a multicloud environment. Today, data exists and is connected across multiple data centers, and public and private clouds. The data center must be able to communicate across these multiple sites, across both on-premises and cloud.

Even the public cloud is a collection of data centers situated at some location. When applications are hosted in the cloud, they are using data center resources from the cloud provider.

The migration from an on-premises data center to a cloud data center doesn't mean moving everything to the cloud. Many companies have hybrid cloud data centers which have a mix of on-premises data center components and virtual data centers components. Depending on the model selected, an organization may be responsible for maintaining and securing more or less of their infrastructure stack. Data centre industry based on shared responsibility can be bifurcated as follows:

1. On-premises IT
2. Co-location
3. Hosting
4. Infrastructure as a service (IaaS)
5. Software as a service (SaaS)
6. Platform as a service (PaaS)

On-premises IT services are accessed and used by the internal personnel only. As the names suggests these services are processed on-premises providing an advantage in terms of control over the data stored. These are built, owned, and operated by companies and are optimized for their end users.

Colocation is a service where the company rents space in the data centres owned by a third party and is off premises for the company. In this the third party provides services such as building, cooling systems and the company manages servers, storage, firewall and rest of the components

Hosting is a service where the third party owns the servers, storage, networks and data centres while rest of the components are managed by the company itself. These data centers are managed by a third party (or a managed services provider) on behalf of a company. The company leases the equipment and infrastructure instead of buying it.

Cloud data centre is off-premises form of data center where data and applications are hosted by a cloud services provider such as Amazon Web Services (AWS), Microsoft (Azure), or IBM Cloud or other public cloud provider. Cloud service provides their services primarily based on three standard service models: Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and Software as a Service (SaaS).

IaaS, also known as Hardware as a Service (HaaS), is a service where the infrastructure components such as virtual machines, data centre, storage and network are owned by the third party and provided as service to the business entities. The business entity manages what they have on cloud such as data, applications, operating systems and databases.

• SaaS is a service where the company manages the data and applications that are being stored on cloud by while rest of hardware and software is provided by the third party. In SaaS, the end consumer who is availing the service has control over the infrastructure such as data centres, servers,

storage provided by the third party. Further in SaaS, while on the front-end cloud technology is used in providing the service, in the back-end data centre infrastructure is being utilised for providing the cloud service.

• PaaS is a service where third party manages all the software and hardware while the company is managing data. Similar to that of SaaS, in PaaS as well, the end consumer who is availing the service has no control over the infrastructure such as data centres, servers, storage provided by the third party. The front-end cloud technology is used in providing the PaaS, in the back-end data centre infrastructure is being utilised for providing the cloud service by some data center provider.

Accounting ratios

Particulars	FY 24	FY 23	FY 22
Revenue from Operations	6,029	5,351	4,674
Growth in revenue from operations (%)	12.67%	14.47%	NA
EBITDA	566	486	458
EBITDA Margin (%)	9.39%	9.09%	9.80%
PAT/Net loss	414	383	335
PAT Margin (%)	6.87%	7.16%	7.17%

Comparison with listed entity

Name of the company	Latest FY	Face value	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RONW (%)	NAV per equity share (₹)
Orient Technologies	Standalone	10	20.7*	11.8	9.9	23.64	48.9
Listed peers							
Dynacons Systems & Solutions	Consolidated	10	34.5	42.4	42.4	34.13	124.0
HCL Technologies	Consolidated	2	27.8	57.9	57.9	23.01	251.6
Wipro	Consolidated	2	24.6	20.9	20.9	14.79	143.7
LTI Mindtree	Consolidated	1	37.2	154.8	154.8	22.9	676.1
Allied Digital services	Consolidated	5	25.4	8.29	8.29	7.41	111.9
Dev information technology	Consolidated	5	26.0	4.19	4.19	16.3	25.9
Tech Mahindra	Consolidated	5	62.6	26.6	26.6	8.8	277.9
Silicon Rental Solutions	Standalone	10	14.2	12.5	-	20.5	61.1

Note: 1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on Aug 20, 2024.

2) * P/E of company is calculated on EPS of FY24 and post issue no. of equity shares issued.

Key Risks

- Orient operates in multiple regions with varying regulatory requirements.
- As a provider of IT solution, the company is a potential target of cyberattacks.
- The IT solutions industry is highly competitive, with numerous players ranging from global giants to niche providers.
- Rapid advancements in technology could be risk if the company fails to keep pace with innovations.
- Dependency on a few and prominent clients could be riskier on the financial condition of the company.

Valuation

Orient Technologies is engaged in IT solutions and related services providing across the business verticals.

OTL's business operations involves technologically advanced solutions for which the company collaborates with a wide range of technology partners including Dell International Services India Private Limited (Dell) and Fortinet, Inc. (Fortinet) and Nutanix Netherlands B.V. (Nutanix).

At the upper price band company is valuing at P/E of 20.7x with a market cap of ₹ 8,580 million post issue of equity shares and return on net worth of 27.2%.

On the valuation front, we believe that the company is fairly priced. Thus, we recommend a "SUBSCRIBE" rating to the IPO.

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Ratings Methodology

- ❑ Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid-Caps & Small Caps as described in the Ratings Table below:

	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0%-15%	Below 0%
Mid-Caps (101st-250th company)	>20%	0%-20%	Below 0%
Small Caps (251st company onwards)	>25%	0%-25%	Below 0%

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